

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
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**STATEMENT BY SENATOR KENT CONRAD (D-ND) ON BUSH
ADMINISTRATION ANNOUNCEMENT THAT DEBT LIMIT
WILL NEED TO BE RAISED BY END OF MAY**

The Bush administration today quietly announced that the federal debt limit will need to be raised by the end of May, almost two months earlier than some expected. In a brief statement this morning, the Treasury Department noted that the money-shifting gimmicks it has been using to avoid hitting the debt limit since February will “only be adequate to meet the government’s needs until the latter half of May.”

This is a disturbing announcement, which the Bush administration clearly wants to downplay. It highlights once again the fiscal irresponsibility of this administration’s economic policies, which have taken us from a period of budget surpluses, unprecedented growth, and job creation, to one of deficits and debt, economic distress, and rising unemployment.

Despite this dramatic reversal in our budget and economic outlook, the President continues to call for further massive permanent tax cuts for the wealthiest, with little stimulus up front, where it is needed. The President talks a lot about jobs, but his plan isn’t well designed to create them. His is a failed approach, which will succeed only in taking us further in the wrong direction.

Since he came into office pushing his first huge tax cut, the nation has lost more than 2.6 million private sector jobs. This February and March alone, we lost more than 440,000 such jobs. That is an average of 100,000 jobs lost every month that he has been in office – a dismal track record by any standard. At this rate, President Bush could be the first President since Herbert Hoover in the Great Depression to leave office with fewer private sector jobs in place than when he took office.

At a minimum, today’s announcement that we again need to raise the debt limit should give us pause before implementing yet another huge tax cut being promoted by this President. These costly deficit-financed tax cuts will result in more debt being passed on to our children and threaten to further undermine our nation’s fiscal and economic future.

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